

WYOMING DEPARTMENT OF HEALTH MEDICAID COST STUDY UPDATE

JLHSS Committee | September 6, 2012

WDH Caveat

- This presentation is NOT intended to provide a full overview of Milliman's, Wyoming Medicaid Expansion Analysis.
- JLHSS leadership requested a WDH update.
- Milliman is prepared to present its full study at JLHSS' request.

Medicaid Cost Study

- Affordable Care Act (ACA) passed in March of 2010.
- In 2011, WY Legislature passed Medicaid Cost Study that requires:
 - Creating a legislative advisory committee.
 - Studying the cost for the ACA expansion of Medicaid.
 - Reporting the findings.
- WDH worked with legislative advisory committee to let RFP and contract with consultant to conduct study and draft report.
 - Milliman, Inc. was selected.

Scope of Milliman's Cost Study

- Summarized Historical Enrollment and Cost Trends for Wyoming Medicaid.
- Developed Projections for Current Enrollment and Costs for Wyoming Medicaid.
- Developed Projections for Future Enrollment and Cost for Wyoming Medicaid.
 - Under ACA Expansion.

Recap of ACA Medicaid Expansion

- On June 28, 2012, the US Supreme Court ruled that states could not be forced to accept the ACA Medicaid expansion.
 - This has generally been interpreted to allow states to opt-in or opt-out of the ACA expansion.
- However, this opt-in and opt-out choice only applies to new groups, such as childless adults, and not to existing groups such as children.

Groups Impacted by ACA

- "Woodwork"(Not Optional)- Children and Adults Already Eligible for Medicaid but not enrolled.
- Expansion Children (Not Optional)- The ACA changed the income guidelines for some children.
 - Children 6 and older with family incomes between 100% and 133% FPL are now eligible for Medicaid (were eligible for CHIP).
- Expansion Adults (Optional)- The ACA expanded Medicaid eligibility to adults under 65, not eligible for Medicare, with incomes of 133% FPL or below.

Groups Impacted by ACA Federal Match

- "Woodwork"(Not Optional):
 - Woodwork population covered by WY's usual FMAP of 50%.
- Expansion Children (Not Optional):
 - Expansion Children covered at an enhanced rate, but not full enhanced FMAP available for expansion adults.
- Expansion Adults (Optional):
 - Federal Government will cover 100% of the cost to expand for three years: 2014 through 2016 (FMAP will be 100%). Scales back to 90% by 2020.

Best Estimate for Medicaid Population Expansion by 2016

Best Estimate Scenario
3,700
6,900
17,600
28,200

Best Estimate Projected Cost, ACA Expansion

State Share	2014	2015	2016
Woodwork	\$3.9 million	\$7.8 million	\$7.7 million
Children	\$2.6 million	\$5.7 million	\$6.1 million
Expansion Adults	\$0.3 million	\$0.7 million	\$0.9 million
Total State Share	\$6.8 million	\$14.1 million	\$14.7 million

Federal Share	2014	2015	2016
Woodwork	\$3.9 million	\$7.8 million	\$7.7 million
Children	\$3.5 million	\$8.2 million	\$10.6 million
Expansion Adults	\$50.0 million	\$103.6 million	\$110.8 million
Total Fed. Share	\$57.5 million	\$119.6 million	\$129.1 million

Best Estimate Projected Cost, ACA Expansion

State Share	2017	2018	2019	2020
Woodwork	\$7.9 million	\$8.3 million	\$8.7 million	\$9.1 million
Children	\$6.1 million	\$6.4 million	\$7.0 million	\$8.4 million
Expansion Adults	\$4.0 million	\$7.8 million	\$9.4 million	\$12.6 million
Total	\$18.0 million	\$22.5 million	\$25.1 million	\$30.0 million
Federal Share	2017	2018	2019	2020
				2020
Woodwork	\$7.9 million	\$8.3 million	\$8.7 million	\$9.1 million
Woodwork Children	\$7.9 million \$12.3 million		\$8.7 million \$13.2 million	
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Projected State Costs- 2014-2020

- ■The "Best Estimate" for **General Fund** cost:
- "Woodwork" (Not Optional) \$53.3 million
- Expansion Children (Not Optional)- \$42.2 million
- Expansion Adults (**Optional**)-\$35.7 million
- Total State Costs All Groups- \$131.2 million
- Estimates above do not include administrative expenses.

Possible Offsets

- If Wyoming expands its Medicaid Program...
 - Some newly eligible Medicaid recipients will no longer need services from state-funded programs.
 - Savings from reduced enrollment in state-funded programs could offset some costs of expansion.
 - Example of program that could be offset:
 - Behavioral Health outpatient services.

Conclusions

 Milliman report is available on the Department of Health's website at <u>www.health.wyo.gov</u>